

American gold mining is booming

By Roger Boye

Business is brisk for the nation's gold-mining industry, thanks in part to worldwide demand for the American Eagle and other bullion coins.

U.S. mines yielded an estimated 3.5 million troy ounces of gold last year, up significantly from 1985 totals and more than three times the 1980 figure. By 1989, domestic production could reach at least 5.6 million troy ounces, according to the Gold Institute, an industry trade association.

"Gold is a growth industry," said John H. Lutley, an institute spokesman. "Demand for [new bullion] coins helps sustain gold prices and that keeps the mines operating."

The United States was the world's third-largest gold producer last year, moving up from fourth in 1985. South Africa and the Soviet Union again ranked in the top two spots, unearthing nearly 30 million of the world's 50.8 million troy ounces of gold in 1986.

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Collectors may need a mint to buy "one of everything" from the United States Mint this year.

A set of Uncle Sam's 1987 coin offerings could cost \$2,000 or more, according to a study by hobby newspaper Numismatic News. That amount includes projected prices of 1987-dated American Eagles, commemorative coins marking the Bicentennial of the U.S. Constitution, and the regular proof and uncirculated coin sets.

"Keeping a complete collection of U.S. legal-tender coin issues by date, mint and finish is becoming difficult financially for many of us," writes News correspondent Burnett Anderson.

By comparison, in 1981 the U.S. government sold just two coin items: an \$11 proof set and an \$11 uncirculated set.

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Collectors now can place American Eagle gold and silver coins in their Individual Retirement Accounts, according to a provision in the recent tax reform legislation. Among other things, the account's trustee must buy and safeguard the coins on behalf of the taxpayer.